

Mr. GZOWSKI: Yes.

Hon. Mr. EULER: I was just curious how that could be. Would it not be better to put more money in the estimates in order to complete the building of the road?

Sir HENRY THORNTON: I will answer that. The point is this: It is a problem which confronts the proprietor, namely, the government, not only in this case but in many other cases throughout the whole of Canada. The situation was such that we were obliged to curtail in every possible way our capital expenditures, and we had to take a little off some and a little off another and sweep up what we could, in other words, to reduce the capital budget to what we thought, and what the government was willing to accept, as an irreducible minimum, and you cannot do anything else.

Hon. Mr. EULER: But the fact is the work will have to come to an absolute stop at the end of August.

Sir HENRY THORNTON: The government is confronted with a serious financial problem.

Mr. MacMILLAN: You think that is good business?

Sir HENRY THORNTON: So far as we are concerned we are perfectly willing to go ahead with the railway, but we must have some regard to the financial position of the government and ourselves, and the country as a whole.

Mr. DUFF: Isn't it rather a small amount? For instance, you have over 20 miles on construction.

Sir HENRY THORNTON: We are reducing every capital expenditure that we can reduce, Mr. Duff.

Mr. DUFF: Well, you have other works under construction, are you stopping all of those? Take, for instance, the hotels which are under construction. Are you stopping those as in the case of this railway, or are you going ahead and finishing them?

Sir HENRY THORNTON: Many of those are under contract.

Mr. DUFF: Well, this is really under contract too.

Sir HENRY THORNTON: The only answer I can make to you is that we are reviewing the whole of our capital expenditures and reducing those capital expenditures wherever we feel that we can without damage to the property. Now, I can make no other answer than that.

Mr. DUFF: Is it not a fact that if the rails are not laid and the line ballasted, that the part of the right-of-way which will not be ballasted and the rails laid will depreciate?

Sir HENRY THORNTON: Every section of this country, and quite natural, wants the particular job that is going on in that vicinity to be completed and each section of the country regards that as the most important capital expenditure that is being made in Canada. I do not criticize them at all, but that is the tendency. Now somebody, some instrumentality has got to decide either to go on or to stop, that is all.

Mr. DUFF: But where capital expenditure has been made, say four-fifths of the amount required, it seems to me that that is in a different position entirely.

Sir HENRY THORNTON: Well, I can only say this, Mr. Duff: If, in the judgment of this committee it is desirable to continue that work and the money is appropriated we will certainly continue it. It is a matter which properly should be left to the judgment of this committee.

Hon. Mr. EULER: Is it the general policy to discontinue works that are partially completed or almost entirely completed?

Sir HENRY THORNTON: That is quite a usual policy on all railroads in times of stress.